

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:5488

ANSWERED ON:06.04.2017

Reimbursement of Freight Charges

Gavit Dr. Heena Vijaykumar; Jayavardhan Dr. Jayakumar; Mahadik Shri Dhananjay Bhimrao; Patil Shri Vijaysinh Mohite; Satav Shri Rajeev Shankarrao

Will the Minister of SHIPPING be pleased to state:

- (a) whether the policy for reimbursement of freight charges for movement of urea and P&K fertilizers is extended to movement by inland water transportation and coastal shipping;
- (b) if so, the details thereof;
- (c) the measures undertaken by the Government to promote the movement of freight by inland water transportation and coastal shipping under the Sagarmala project; and
- (d) the amount of subsidy disbursed under the said policy/scheme during the last three years and the current year and the amount of savings accrued from promotion of freight transport through waterways and coastal shipping?

Answer

(a)&(b): Yes, Madam, the primary movement of subsidized urea and P&K fertilizers by rail and/or coastal shipping or inland water transportation including road bridging or by any or two or by all the three modes of transportation upto final destination from the plant or port to various rake points of district qualifies for reimbursement of freight. The reimbursement of freight subsidy under the multimode system is restricted to the actual or to the maximum of primary rail freight from plant/port to the nearest rake point of the final destination in the district, whichever is lower.

(c) The following measures have been taken to promote the movement of freight by inland water transportation and coastal shipping under the Sagarmala project for promotion of coastal shipping and tourism

(i) Moderation of manning and technical requirements for vessels operating within Indian territorial waters through a river sea vessel notification; (ii) declaring the inland vessel limits for facilitating coastal trade operations; (iii) issuing coastal shipping rules for coastal vessels operating within 20 miles off the coast; (iv) exempting customs and Central Excise duty on bunker fuels (IFO 180 and IFO 380 CST) by Indian flagged coastal container vessels; (v) abatement of service tax at 70% for coastal shipping at par with road and rail; (vi) simplification of customs procedures (vii) launching a Central Sector Scheme for construction of exclusive berths for coastal vessels providing assistance up to 50% of the total cost of the project subject to maximum of Rs 25 crores (viii) charging the wharfage on per unit basis, instead of on ad volarem basis, to promote transportation of automobiles (ix) increasing the discount on port charges for Ro-Ro ships by major ports from 40% to 80% for two years w.e.f. 20th September, 2016. (x) cabotage has been relaxed for Roll-on-Roll-off vessels, Hybrid Roll-On-Off, Ro-RO-cum-Passengers, Pure Car Carriers, Pure Car and Truck Carriers etc.

(d) According to information received from M/o Chemicals & Fertilizer, no amount of subsidy has been disbursed under the said scheme yet.
